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SOAH DOCKET NO. 473-21-0538  
PUC DOCKET NO. 51415

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STATE OF ARIZONA  
PUBLIC UTILITIES DIVISION

APPLICATION OF SOUTHWESTERN §  
ELECTRIC POWER COMPANY FOR §  
AUTHORITY TO CHANGE RATES §  
BEFORE THE STATE OFFICE  
OF  
ADMINISTRATIVE HEARINGS

SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO CITIES  
ADVOCATING REASONABLE DEREGULATION'S TENTH SET OF REQUESTS FOR  
INFORMATION

MARCH 29, 2021

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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO CITIES  
ADVOCATING REASONABLE DEREGULATION'S TENTH SET OF REQUESTS FOR  
INFORMATION**

**Question No. CARD 10-1:**

AEPSC ICP: Please refer to the table on page 22 of the Direct Testimony of Michael A. Baird and to the file BJF-18 (tab 2). The per book expense for AEPSC is identical on both the table and tab 2, but the total of the adjustments on the table does not match the adjustment amount on tab 2, nor do the requested amounts match. Please reconcile the adjustment and requested amounts and provide a corrected table in the format of the table on page 22 of Mr. Baird's testimony.

**Response No. CARD 10-1:**

The AEPSC proforma adjustments on Exhibit BJF-18 correspond to the numbered proforma adjustments on pages 12-13 of the Direct Testimony of Brian J. Frantz. Tab 2 of Exhibit BJF-18 represents just the portion of incentive compensation removed from Company's request to normalize to target level, excluding financial measures. There is additional incentive compensation removed through some of the other proforma adjustments on Exhibit BJF-18. Page 22 of the Direct Testimony of Michael A. Baird represents the total proforma adjustments made to AEPSC incentive compensation and are the total amount of requested AEPSC ICP. See reconciliation below between Exhibit BJF-18 and page 22 of Mr. Baird's testimony:

Exhibit BJF-18 Per Books AEPSC ICP	\$8,942,256
Exhibit BJF-18 AEPSC ICP Adjustment in Tab 2	(\$5,487,878)
Exhibit BJF-18 AEPSC ICP Adjustment in Tab 1	(\$20,394)
Exhibit BJF-18 AEPSC ICP Adjustment in Tab 4	\$109
Exhibit BJF-18 AEPSC ICP Adjustment in Tab 5	(\$276,363)
Page 22 of Baird Testimony: Requested AEPSC ICP	\$3,157,730

Prepared By: Brian J. Frantz

Title: Dir Accounting

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